



United States
Department of
Agriculture

Food and
Consumer
Service

Mountain Plains
Region

1244 Speer Blvd.
Denver, CO
80204-3581

MAY 1 1997

Reply to

Attn. of: SP-97-19
CACFP-513
SFSP-315

Subject: Prairie Farms Dairy - Debarment

To: STATE AGENCY DIRECTORS - Colorado ED, Colorado DPHE,
(Child Nutrition Programs) Colorado HS, Iowa, Kansas,
Missouri ED, Missouri DH,
Montana OPI, Montana DPHHS,
Nebraska ED, Nebraska SS,
North Dakota, South Dakota,
Utah, Wyoming ED, and
Wyoming DHSS

In a Policy Memorandum dated February 13, 1996, we notified you that Prairie Farms Dairy and several of its affiliates had been suspended from participation in Lower Tier Covered Transactions in the Child Nutrition Programs. We have now been notified that Defense Logistics Agency (DLA) of the Department of Defense has **debarred** Prairie Farms Dairy, its Chief Executive Officer, two joint ventures of Prairie Farms, and four of its wholly owned subsidiaries.

The following are debarred until May 4, 1998:

Prairie Farms Dairy, Inc., Carlinville, IL
Leonard J. Southwell, CEO, Prairie Farms Dairy, Inc.
Ideal American Dairy, Evansville, IN (joint venture)
Mueller-Pinehurst Dairy, Rockford, IL (joint venture)
Pevely Dairy dba A B C Dairy, St. Louis, MO (wholly owned subsidiary)
East Side Jersey Dairy, Inc., Anderson, IN (wholly owned subsidiary)
P.F.D. Supply Corporation, Carlinville, IL (wholly owned subsidiary)
GMS Transportation, Inc., Granite City, IL (wholly owned subsidiary)

As a result, Prairie Farms Dairy, Leonard J. Southwell, and the companies named above remain ineligible to participate in Lower Tier Covered Transactions in the Child Nutrition Programs.

Three other affiliated companies had their suspensions lifted earlier and are not affected by this action. They remain eligible to participate. They are:

Roberts Dairy, Omaha, NE
Hiland Dairy Foods, Springfield, MO
Ice Cream Specialties, Carlinville, IL

If you have any questions regarding this matter, please contact Ed Campbell at 303-844-0355.

Ann C. De Groat

ANN C. DEGROAT
Regional Director
Child Nutrition Programs